

A G E N D A



Recommendation for Board Action

Austin Housing Finance Corporation	Item ID	7810	Agenda Number	2.
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Meeting Date:	8/4/2011	Department:	Neighborhood and Community Development
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Subject

Approve a resolution authorizing the sale of mortgage-backed securities relating to Austin Housing Finance Corporation Single-Family Mortgage Revenue Bonds Series 1997, and the subsequent redemption of Austin Housing Finance Corporation Single-Family Mortgage Revenue Bonds Series 1997, and other related matters.

Amount and Source of Funding

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Contact Elizabeth A. Spencer, Treasurer, Austin Housing Finance Corporation, 974-3182.
Boards and Commission Action:	April 9, 1997 – Austin Housing Finance Corporation Board authorized the issuance, sale and delivery of single-family mortgage revenue bonds to fund a single-family mortgage program.
MBE / WBE:	
Related Items:	

Additional Backup Information

This action would authorize the sale of mortgage-backed securities to fund the redemption of the Austin Housing Finance Corporation (AHFC) Single-Family Mortgage Revenue Bonds Series 1997 bonds. The market for purchasing mortgage-backed securities has been favorable, and the sale of these securities would provide enough proceeds to pay off the outstanding bonds and any associated fees, and the remaining proceeds would be revenue for the AHFC's Housing Assistance Fund.

The proceeds of this 1997 bond issue provided \$14,850,000 of funding for 30-year fixed-rate mortgages at favorable interest rates to first-time homebuyers. The mortgages were offered through participating lenders, and approximately 120 first-time homebuyers received mortgages through this program.

Single-family mortgage revenue bonds are repaid through the homebuyers' mortgage payments. However, per the Trust Indenture for this bond issue, after ten years, the AHFC has the option to sell or otherwise dispose of some or all of the mortgage-backed securities in order to redeem the bonds. With a currently favorable market, the AHFC

could receive an estimated \$75,000 after the sale of the securities, the redemption of the bonds, and payment of fees to the AHFC's Bond Counsel (McCall, Parkhurst & Horton), Financial Advisor (Morgan Keegan), and the Trustee (Bank of New York Mellon). Any homeowners who still have mortgages from the 1997 Mortgage Revenue Bond Program would continue to make mortgage payments and would not be affected by this transaction.